

## Message Text

UNCLASSIFIED

PAGE 01 STATE 176926  
ORIGIN EA-12

INFO OCT-01 EUR-12 PM-05 NSC-05 SP-02 SS-15 ISO-00  
CIAE-00 INR-10 NSAE-00 PA-02 ICA-20 /084 R

DRAFTED BY EA/P:STAFF:VDC  
APPROVED BY EA/P:W MAGRUDER  
DESIRED DISTRIBUTION  
ICA/EA:M SMITH

-----003354 140100Z /20

R 131827Z JUL 78  
FM SECSTATE WASHDC  
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
INFO CINCPAC HONOLULU HAWAII 0000  
COAST GUARD WASHDC 0000  
GOVGUAM 0000  
JCS WASHDC 0000  
TREASURY DEPARTME;T WASHDC 0000

UNCLAS STATE 176926

ATTN PARIS FOR JACK MARESCA

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: JULY 13 EA PRESS SUMMARY

### 1. KOREA

BABCOCK (WP)/NYT CITE CONGRESSIONAL SOURCES THAT HOUSE  
ETHICS CMTE VOTED 7/12 TO START DISCIPLINARY PROCEEDINGS  
AGAINST FOUR SITTING DEMOCRATS: PATTEN (NJ), MCFALL (CA),  
ROYBAL (CA), WILSON (CA). SAY ALL RECEIVED MONEY FROM  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 176926

TONGSUN PARK; PENALTIES COULD RANGE FROM REPRIMAND TO  
EXPULSION--BUT LATTER SEEMS UNLIKELY, SINCE CMTE SAID TO  
CONSIDER CASES MARGINAL. IN ADDITION, CMTE BELIEVED  
CONSIDERING PERJURY CHARGES AGAINST FORMER REPS RARICK  
(D-LA)/GALIFIANAKIS (D-NC).

BABCOCK REPORTS CMTE CLEARED OTHER HOUSE MEMBERS, INCL

SPKR O'NEILL/MAJORITY WHIP BRADEMAS, WHO ACCEPTED CASH OR GIFTS FROM PARK. BUT NYT SAYS NOT CLEAR WHETHER OTHERS CLEARED OR WHETHER ALLEGATIONS WOULD BE TAKEN UP LATER.

UPI (SEOUL) NOTES SK ENERGY/RESOURCES MIN ANNOUNCEMENT THAT GOVT PLANS SET UP STATE-RUN CORP TO HANDLE CRUDE OIL IMPORTS, OIL SUPPLY CHANNELS/OIL DEVELOPMENT ON LAND/OFFSHORE (NYT).

REUTER (SEOUL) REPORTS SK SUPREME COURT THURS UPHELD ONE-YR JAIL SENTENCE FOR FORMER GOVT WORKER WHO PRAISED CHINESE VICE-PREMIER TENG HSIAO-PING IN LTR TO RELATIVE, UNDER ANTI-COMMUNIST LAW WHICH BANS ALL FORMS OF PRO-COMMUNIST ACTIVITIES.

## 2. INDONESIA

REP OF FRETILIN GUERRILLAS BATTLING GOI RULE IN EAST TIMOR CALLED WEDS FOR HALT TO ALLEGED UN INTERVENTION ON SIDE OF INDO. IN LTR TO US AMB ANDREW YOUNG, JOSE RAMOS HORTA CHARGED: US MIL ADVISERS/PILOTS/MERCENARIES FOUND IN 2 BATTLES IN JUVEN NEAR DILI; US ADVISERS LIVING THERE SINCE DEC; AND THAT 90 PCT WEAPONS USED AGAINST FRETILIN BY INDO WERE US-SUPPLIED. HORTA SAID FRETILIN HEARTENED BY PRES CARTER'S COMMITMENT TO HUMAN RTS/HIS "PROMISES TO CEASE US SUPPORT TO OPPRESSIVE REGIMES SUCH AS INDONESIA'S." HE ASKED YOUNG BRING QUESTION OF US INTERVENTION TO UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 176926

ATTENTION OF CARTER (REUTER UN 7/12).

## 3. THAILAND

ACCORDING JOC'S LORENZ (BANGKOK), WORLD BANK HAS INFORMED RTG'S COMMUNICATIONS MIN THAT IT DOES NOT FAVOR FUNDING OF LAEM CHABANG DEEPSEA PORT PROJECT, SAYING IT FAVORS EXPANSION OF SATTAPHI INSTEAD, WHICH SAID BE ABLE COPE W/ EXPANDING TRADE REQUIREMENTS UNTIL '90. LORENZ SAYS DECISION WAS BLOW TO SPECIAL INTERESTS IN RTG, THAT MIN HAS INDICATED IT WILL LOOK ELSEWHERE FOR FINANCING. QUOTES US BANKERS THAT REASON GOVT PERSISTS IN STICKING W/LAEM CHABANG IS SPECIAL REAL ESTATE HOLDINGS IN AREA, BELONGING TO INFLUENTIAL BUSINESSMEN W/LINKS TO GOVT OFFICIALS.

## 4. CHINA

REUTER (VIENNA) REPORTS ALBANIA HAS CONFIRMED CHINA HAS SUSPENDED ALL ECON AID/WITHDRAWN EXPERTS. GOA DESCRIBED CHINESE ACTION AS "UNILATERAL"/"ARBITRARY"/"CONSCIOUS"/PREMEDITATED STEP TO AGGRAVATE RELS BETWN THE 2 COUNTRIES

(SUN).

"PD" ARTICLE CITED BY REUTER (PEKING) SAYS FON MINS OF NON-ALIGNED COUNTRIES SHOULD CONCENTRATE ON SAFEGUARDING MOVEMENT'S PURPOSES/UNITY WHEN THEY MEET IN BELGRADE THIS MONTH. WARNS AGAINST USSR SABOTAGE EFFORTS--NOTION OF "SINGLE IMPERIALISM"--PREVENTING GROUP FROM OPPOSING SOVIET SOCIAL-IMPERIALIST HEGEMONISM.

CHINA'S LEADING LITERARY MAG "WEN YI PAO" (LITERATURE/ART JOURNAL) WILL RESUME PUBLICATION THIS MONTH AFTER 12-YR BREAK. NCNA SAYS MAG HALTED BY GANG OF FOUR/THAT ITS EDITORS PROMISE 1ST PRINCIPAL TO TAKE ACTIVE PART IN UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 176926

STRUGGLE AGAINST GANG (REUTER PEKING).

CHINESE VICE-PREMIER KENG PIAO ARRIVED IN TRINIDAD (7/12) FOR 5-DAY VISIT/AFFIRMED PRC'S INTENTION OF DEVELOPING CLOSER TIES W/CARIBBEAN/LATIN AMER COUNTRIES (REUTER, PORT OF SPAIN 7/12).

AP (TOKYO) QUOTES NCNA REPORT OF OPENING NEW BRIDGE IN TANGSHAN PROVINCE TO REPLACE ONE DESTROYED IN GREAT EARTHQUAKE OF '76. BRIDGE, OVER HALF MILE LONG, BUILT W/NEW TECHNIQUES DESIGNED W/STAND QUAKES (WP).

PRC AGRIC OFFICIALS SAY EARLY REPORTS OF DROUGHT IN NCHINA PLAIN EXAGGERATED; RECENT WEATHER REPORTS HAVE BROUGHT EXPECTATIONS OF NORMAL WHEAT CROP, ACCORDING NCNA (CNS, JOC).

##### 5. CHINA/VIETNAM

PRC DENIED WEDS THAT ITS FIGHTER PLANES FLEW OVER VN ON SATURDAY/SAID IT HAD PROTESTED TO HANOI ABOUT "MEAN TACTICS OF FABRICATING LIES OUT OF THIN AIR" (REUTER PEKING 7/12; WP HK).

ANSWERING HANOI'S CHARGES THAT CHINA PROVOKED VIET-CAMBODIAN BORDER WAR BY BACKING CAMBODIA, PEKING PUBLISHED LENGTHY ACCOUNT WEDS, PUTTING BORDER DISPUTE INTO PERSPECTIVE/ACCUSING SRV OF SEEKING REGIONAL HEGEMONY IN INDOCHINA/REST OF SEASIA AS JUNIOR PARTNER FOR USSR. PRC DID NOT DENY IT IS AIDING CAMBODIA, SAYING IT HAS INTL DUTY TO ASSIST ALL JUST STRUGGLES AGAINST AGGRESSION IN SAME MANNER IT AIDED VN AGAINST US (WU, SUN HK).

UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 176926

REUTER'S MACKENZIE (PEKING) REPORTS PRC HAS TIGHTENED CONTROL OVER FLOW REFUGEES FROM VIETNAM INTO TWO CHINA SOUTHERN PROVINCES; THOSE RETURNING MUST HAVE REPATRIATION CERTIFICATES FROM CHINESE EMBASSY IN HANOI/EXIT VISAS FROM VN AUTHORITIES. NCNA SAYS ORDER TO REESTABLISH BORDER CONTROLS WENT INTO EFFECT 7/12.

6. INDOCHINA REFUGEES

ABOUT 100 PROTESTERS (VN REFS) DEMONSTRATED AT SYDNEY AIRPORT THURS AGAINST ARRIVAL SRV DEP FONMIN PHAN HIEN IN AUSTRALIA (REUTER, SYDNEY).

7. BURMA

REUTER (DACCA 7/12) REPORTS REPATRIATION BURMESE NATLS WILL BE CARRIED OUT IN PHASES BEGINNING END OF AUG. QUOTES BANGLADESH FON OFFICE SOURCE THAT GUB WILL OPEN 10 TRANSIT CAMPS TO RECEIVE 200 REFUGEES IN EA CAMP EVERY DAY. HE DESCRIBED AGREEMENT BETWN 2 COUNTRIES AS "LIVING TESTIMONY OF THE GOOD NEIGHBORLY AND FRIENDLY RELATIONS BETWEEN BANGLADESH AND BURMA."

8. SINGAPORE

SEMBAWANG SHIPYARD HAS SET UP JOINT VENTURE W/SWEDISH CONCERN TO MRKT/SERVICE/MFGR DIESEL ENGINES IN SINGAPORE (JOC SPEC SINGAPORE).

9. JAPAN

SPEAKING TO REPORTERS IN GENEVA 7/12, STRAUSS CHASTISED JAPAN FOR LACK OF PROGRESS IN CURRENT ROUND TRADE TALKS. SAID HE WAS "RATHER PLEASED" W/PROGRESS ACHIEVED W/EC/AUSTRALIA/CANADA/NZ/NORDIC NATIONS, BUT POINTEDLY OMITTED JAPAN. WHEN QUESTIONED ABOUT UNCLASSIFIED

UNCLASSIFIED

PAGE 06 STATE 176926

THIS, REPLIED IT WOULD BE "INACCURATE" CHARACTERIZE PROGRESS W/JAPAN "AS I CHARACTERIZED THE OTHERS." STRAUSS REFUSED EXPAND ON TALKS W/JAPAN, SAYING HE DIDN'T WANT DISCUSS "NEGATIVE ASPECTS" OF DISCUSSIONS.

IN REPLY, JAPANESE AMB OHKI TOLD NEWS CONF JAPAN "VERY DISMAYED" AT STRAUSS' CRITICISM. ADDED JAPAN

HAS GOOD SOCIAL/ECON REASONS FOR NOT MEETING ALL US DEMANDS. REITERATED JAPANESE POSITION THAT IT HAS "ALREADY MADE THE MAXIMUM OFFERS" ON FRUIT/BEEF IMPORTS (LUSINCHI, NYT; WSJ; DREYER, JOC - ALL GENEVA).

SUN'S BEHR (GENEVA) QUOTES WESTERN NEGOTIATOR THAT WHILE JAPAN SEEMS STARTING YIELD ON SOME IMPORTANT TRADE ISSUES, PROCESS IS LIKE "TOOTH EXTRACTION." WP'S ROWEN (BONN) CITES DEP TRADE REP WOLFF THAT US HAS NO PLANS CONTINUE TRADE DIALOGUE W/JAPAN DURING BONN ECON SUMMIT. HOWEVER, WOLFF REVEALED THAT DRAFT CODE LIMITING GOJ SUBSIDY HELP TO EXPORTS HAD BEEN APPROVED/TERMED THIS "GREAT STEP FORWARD."

-CON PLANNING AGENCY SPOKESMAN SAYS JAPAN PLANS TRIM AT LEAST 4 BIL DOLS FROM ITS TRADE SURPLUS BY INITIATING EMERGENCY IMPORTS--INCL 1 BIL DOLS WORTH ENRICHED URANIUM ORE FROM US. HOWEVER, PRIVATE ECONOMISTS

SAY NEW MEASURES APPEAR TOO SMALL TO MAKE SUBSTANTIAL CUTS IN TRADE BALANCE. OFFICIAL ANNOUNCEMENT SAID 1.2-BIL-DOL PURCHASE ALREADY SET, W/ADDITIONAL 2.2 BIL DOLS WORTH IMPORTS "FAIRLY CERTAIN" AND 600 MIL DOLS MORE "UNDER CONSIDERATION" (REUTER, NYT TOKYO; AP, CHITRIB; WSJ; CULLISON, JOC TOKYO).  
UNCLASSIFIED

UNCLASSIFIED

PAGE 07 STATE 176926

"NIHON KEIZEI SHIMBUN" REPORTS JAPAN PREPARED CONTRIBUTE 1 BIL DOLS TOWARD PROPOSED JOINT FUND FOR COOPERATION W/US ON DEVELOPING NEW ENERGY SOURCES. FUKUDA REPORTEDLY WILL TELL CARTER OF PLAN DURING BONN SUMMIT (REUTER TOKYO).

JAPAN'S DOLLAR-BASED LICENSED IMPORTS FOR 1ST HALF '78 ROSE 8.1 PCT OVER SAME PERIOD LAST YR (AP, NYT).

CULLISON SAYS GOJ SOURCES INDICATE JAPAN INTENDS PROPOSE EXPANSION OF CURRENCY SWAP ARRANGEMENTS BETW CENTRAL BANKS OF WORLD'S KEY INDUSTRIAL DEMOCRACIES DURING BONN SUMMIT. ACCORDING FINANCE MIN MURAYAMA, SUCH EXPANSION WOULD HELP END CURRENT TURMOIL ON FOREX MARKETS THROUGHOUT WORLD. NO DETAILS GIVEN.

JOC RUNS UPI ITEM ON DIFFICULTIES AMERICANS LIVING IN JAPAN FIND AS DOLLAR CONTINUES DECLINE IN VALUE AGAINST YEN. CITES PROBLEMS FACING AMEMB PERSONNEL/US BUSINESSMEN PAID IN DOLLARS. NOTES BOTH GROUPS HAVE SUFFERED CONSIDERABLY DUE 35 PCT DECREASE IN DOLLAR'S

VALUE IN JAPAN. FINDS ONLY THOSE BUSINESSES DEALING STRICTLY IN YEN/MANUFACTURING IN JAPAN HAVE EXPERIENCED NO ADVERSE EFFECTS.

10. JAPAN/ECON SUMMIT

IWAMA (WSTAR TOKYO 7/12) SAYS NOBODY IN GOJ EXPECTS ANYTHING SPECIFIC RESULT FROM SUMMIT, BUT QUOTES FUKUDA THAT MEETING WILL BE "GREAT SUCCESS EVEN IF ONLY AN AGREEMENT REJECTING PROTECTIONISM IS REACHED." IWAMA SAYS PM WILL STRESS JAPAN'S POLICY OF DOUBLING AID TO DEVELOPING NATIONS OVER NEXT 3 YRS/FACT JAPAN DOING ALL IT CAN STIMULATE ECON/CUT SURPLUSES, BUT NEEDS MORE TIME FOR EFFECTS TO APPEAR. REMARKS ECON UNCLASSIFIED

UNCLASSIFIED

PAGE 08 STATE 176926

PLANNING AGENCY CHIEF MIYAZAWA PUTS EQUAL BLAME FOR JAPAN'S TRADE SURPLUSES ON US/JAPAN, BUT FEELS JAPAN SHOULD NOT BE COWED BY FON CRITICISM.

DURING 7/12 WH INTERVIEW W/EUR CORRESPONDENTS, PRES CARTER ASSERTED US HAD KEPT PLEDGE REDUCE OIL IMPORTS/NOW EXPECTS FRG/JAPAN STIMULATE ECON GROWTH, BUY MORE US

PRODUCTS. VOICED BELIEF US "MOST ENTHUSIASTIC NATION" AMONG THOSE ATTENDING SUMMIT, HOPED EUR/JAPAN WOULD RESPOND W/EQUAL ENTHUSIASM (HARRIS, REUTER 7/12).

SUN NOTES CARTER CHARGED FRG/JAPAN W/PLAYING MAJOR ROLE IN CONTINUING HEAVY US TRADE DEFICITS. PRES NOTED IMPORTS MFRD GOODS--MANY FROM FRG/JAPAN--HAVE REPLACED OIL IMPORTS AS NUMBER 1 ITEM IN US TRADE DEFICIT.

COMMENT AND ANALYSIS

11. INDOCHINA/SEASIA

LAT'S MCARTHUR (BANGKOK 7/9) CHARACTERIZES PRESENT SEASIA SITUATION AS DID BRZEZINSKI WHEN HE CALLED IT "PROXY WAR." NOTES CONFLICTS BETWN VN/CAMBODIA AND VN/CHINA GROWING, THAT THEY HAVE NOT ONLY AFFECTED LAOS, BUT "SENT CHILLS RIPPLING THROUGH ASEAN." CONTENTS SEASIA POLARIZATION HAS BECOME COMPLETE: SRV HAS JOINED COMECON; RUSSIAN/E GERMAN POLISH/CUBAN EXPERTS FOUND THRUOUT VN; CHINESE HAVE SET UP RADAR-CONTROLLED ANTI-AIRCRAFT DEFENSE NETWORK AROUND PP/WORKING ON MANY OTHER PROJECTS. SAYS WHILE PROXY WAR CONTINUES ALONG BORDER, DANGEROUS CONFRONTATION ALREADY UNCLASSIFIED

UNCLASSIFIED

PAGE 09 STATE 176926

EVOLVING AMONG PRINCIPAL PLAYERS THEMSELVES CONCERNING SUCH ISSUES AS OIL SUPPLY/DEVELOPMENT. CONTENTS DOMINANCE SEASIA WILL NOT BE SETTLED BY PIECEMEAL CEASEFIRE.

CSM'S MORITZ (HK 7/11) AGREES W/MCARTHUR THAT CON-INUING CONFRONTATION BETWN SRV/PRC "SENDING TREMORS THROUGHOUT ASIA." SAYS NEITHER SIDE IS BELIEVED TO WANT WAR, BUT BOTH STEPPING-UP MIL PREPARATIONS WHICH INCREASE POSSIBILITY ACCIDENTAL SLIDE INTO HOSTILITIES. INCREASED TENSION CAUSING CONCERN AMONG SEASIAN LEADERS THAT CHINESE-SOVIET RIVALRY MAY LEAD TO NEW INSTABILITY IN REGION.

MORITZ QUOTES SINGAPORE FONMIN RAJARATNAM THAT "NOBODY IS IN CONTROL"--NOT US, NOT USSR--"WE ARE MOVING INTO SEAS WHICH ARE GOING TO BE VERY STORMY." SEASIA IS "BATTLEGROUND FOR VARIETIES OF COMMUNISM., SAYS IF NEGOTS BETWN SRV/ASEAN FOR POSSIBLE "ZONE OF PEACE AND NEUTRALITY" DO NOT SUCCEED, POSSIBLE DANGERS INCL ONSET BORDER WARFARE/FURTHER ESTRANGEMENT IF SRV LAUNCHES MAJOR ATTACK ON CAMBODIA/ HEIGHTENED FRICTION IS CONTINUING DEADLOCK ON REPATRIATION REFUGEES FURTHER THREATENS CHINESE PRESTIGE.

NYT'S BURT (7/9) OBSERVES TENSIONS BETWN SRV/PRC APPEAR STRENGTHENING RUSSIA'S POSITION IN SEASIA. THO THESE/OTHER

DEVELOPMENTS AROUND WORLD HAVE NOT LED TO SHIFT IN EAST-WEST BALANCE OF POWER, SAYS THEY PROVIDE FURTHER SIGNS THAT MOSCOW HAS BECOME INCREASINGLY WILLING EXPLOIT OPPORTUNITIES FOR FLEXING MUSCLES IN DEVELOPING WORLD.

BURT LOOKS AT ADMIN'S NEW STRATEGIES FOR IMPEDING GROWTH OF SOVIET INFLUENCE/NOTES PERHAPS MOST CONTROVERSIAL OF THEM IS IMPROVEMENT OF TIES W/PRC. SAYS WESTERN/CHINESE INTERESTS DO INTERSECT IN NUMBER OF PLACES--LIKE BLOCKING EMERGENCE OF VIET DOMINATED INDOCHINA BACKED BY MOSCOW--AND IF "CHINA CARD" NOT OVERPLAYED, QUOTES ADMIN ANALYSTS WHO UNCLASSIFIED

UNCLASSIFIED

PAGE 10 STATE 176926

BELIEVE WASHINGTON/PEKING/"REGIONAL INFLUENTIALS" CAN FASHION LOOSE ALLIANCE TO COPE W/SOVIET POWER.

12. THAILAND/CAMBODIA

VISIT TO THAILAND OF CAMBODIAN DEP PREMIER IENG SARY, DUE TO BEGIN 7/14, MAY BE OF MAJOR IMPORT IN ENDING

BLOODSHED ALONG THAI-CAMBODIAN FRONTIER, ACCORDING REUTER'S MELUNSKY (BANGKOK). NOTES BORDER HAS BEEN RELATIVELY QUIET FOR ABOUT MONTH--POSSIBLY AS PRELUDE TO VISIT--AND CAMBODIAN ACCEPTANCE THAI INVITE POSSIBLY SPURRED BY RECENT VISIT VIET VICE FONMIN. SAYS SARY WILL WANT EXPLAIN CAMBODIAN POSITION ON FIGHTING W/VN, THAT BOTH COUNTRIES SEEM EAGER COURT THAILAND AS PART OF BIDS TO WIN SUPPORT FOR 3RD COUNTRIES IN GENERAL.

MELUNSKY QUOTES THAI OFFICIALS THAT THEY BELIEVE BOTH COUNTRIES SINCERE IN TRYING RESOLVE BORDER ISSUE.

MELUNSKY OPINES THAI ARMY HAS CERTAINLY EXERCISED "CONSIDERABLE RESTRAINT" IN REACTING TO KILLINGS/KIDNAPPINGS. SAYS RTG KEEPING DELICATE BALANCE BETWN SEEKING RELS W/ CAMBODIA/KEEPING INSURGENCY IN CHECK. NOTES CAMBODIA PROBABLY HAS OWN DILEMMA OF HOW BALANCE SUPPORT FOR MAOIST-LED CPT W/ITS DESIRE FOR BETTER RELS W/THAILAND. SAYS OBSERVERS WONDER WHETHER INCIDENTS INVOLVING KR INITIATED BY MAVERICK CMDRS NOT UNDER PP CONTROL; OTHERS SEE PATTERN TRYING CREATE NO-MAN'S LAND INSIDE THAI TERRITORY WHERE CPT CAN OPERATE FREELY, CLAIMING IT AS "LIBERATED ZONE." SAYS KEY TO DISCUSSIONS MAY BE WHETHER CAMBODIA/CHINA CAN/WISH EXERT THEIR INFLUENCE OVER CPT.

13. ECON SUMMIT  
UNCLASSIFIED

UNCLASSIFIED

PAGE 11 STATE 176926

NYT EDIT FINDS ESSENTIAL QUESTION AT SUMMIT IS HOW PERSUADE FRG/JAPAN EXPAND THEIR ECONS/REDUCE TRADE SURPLUSES. HOWEVER, PUTS MAJOR BURDEN ON FRG, OPINING THAT IF IT PLEDGES STIMULATE GROWTH, "OTHER THINGS CAN BEGIN TO HAPPEN."

CHITRIB EDIT BELIEVES "BEST THAT CAN BE REALISTICALLY HOPED FOR" FROM ECON SUMMIT IS THAT CARTER COME AWAY W/O "TOO GREAT EMBARRASSMENT." STATES THAT WHILE EUR/JAPAN "WATCHED IN AGONY," PRES "FRITTERED AWAY" 1ST YR IN OFFICE BY ATTACKING UNEMPLOYMENT W/INFLATIONARY SPENDING. OPINES IF CARTER COME UP W/SENSIBLE IDEA FOR COUNTERING PROTECTIONISM, HE MUST SELL IT AT SUMMIT--AND THIS WILL REQUIRE MORE LEADERSHIP/FORCEFULNESS THAN HE HAS BEEN ABLE MUSTER THUS FAR.

KRAFT (WP) SAYS US HIGHLY VULNERABLE TO CHARGES FROM FRG/JAPAN THAT IT IS IMPORTING INFLATION/WEAKENING CONFIDENCE IN DOL BY FAILURE CONTROL ENERGY IMPORTS. CITES FUKUDA'S REPEATED CLAIM THAT JAPAN CANNOT OPEN MRKTS/STIMULATE ECON



UNLESS US 1ST TAKES ACTION TO HOLD DOWN OIL IMPORTS/  
STABILIZE DOL. OPINES FRG IN BEST POSITION TO TAKE 1ST  
STEP BY PLEDGING STIMULATE ITS ECONOMY. BELIEVES IF THIS  
DONE, PKG OF OTHER PROMISES COULD RESULT.

14. CHINA

REUTER'S MACKENZIE (PEKING) THINKS ALBANIA SUPPORT FOR VN/  
OPEN ATTACK ON PEKING'S THREE WORLDS THEORY BEHIND CHINA'S  
MOVE TO CUT OFF ECON/TECH AID TO ALBANIA. NOTES STRAIN IN  
RELS EVIDENT SINCE MAO'S DEATH, BUT CITES SOME SOURCES  
AS SAYING CHANGE IN TIRANA'S ATTITUDE GOES BACK EVEN  
FURTHER--THEY SAY ALBANIA BEGAN QUESTION CHINESE POLICIES  
IN '72 BECAUSE OF PRC RAPPROCHEMENT W/US. MACKENZIE FINDS  
UNCLASSIFIED

UNCLASSIFIED

PAGE 12 STATE 176926

IT UNCLEAR WHETHER MOVE AT PEKING'S INITIATIVE OR IN  
RESPONSE TO MESSAGE FROM TIRANA SOME DIPLOS BELIEVE MAY  
HAVE BEEN DELIVERED AT END OF JUNE (7/12).

TORONTO GLOBE/MAIL'S FRASER TRACES HISTORY OF DETERIORATION  
OF SINO-ALBANIA "INDESTRUCTIBLE FRIENDSHIP." NOTES ALBANIAN  
CRITICISM REACHED PEAK LAST AUG WHEN ARCH-REVISIONIST TITO  
VISITED PEKING. CITES PROBLEM OF EMBASSIES IN RESPECTIVE  
CAPITALS: EACH AGREED BUILD EMBASSY FOR OTHER; CHINESE EMB  
IN TIRANA FINISHED FIRST, BUT ALBANIANS REFUSED TURN IT  
OVER TO PRC. PRESUMES PRC HAS RECIPROCATED, ALTHO ADDS  
CHINESE HAVE KEPT QUIET ABOUT DISPUTE. FRASER EXPECTS  
IT COME INTO OPEN SOON. THINKS CHINA "THREE WORLDS" THEORY/  
CALL FOR WORLDWIDE FRONT AGAINST TWO SUPERPOWERS AT ROOT OF  
DISPUTE. SAYS WHILE NO LOVE LOST FOR MOSCOW IN TIRANA,  
ALBANIA CONSIDERS CHINESE VIEW HERETICAL (CSM).

KAZER (CSM, TAIPEI) BELIEVES AS TAIWAN'S DIPLO LINKS FADE,  
STRONG ECON TIES W/REST OF WORLD WILL BECOME INCREASINGLY

CRUCIAL. NOTES THAT WHILE ONLY 23 NATIONS GRANT DIPLO  
RECOGNITION, OVER 140 COUNTRIES MAINTAIN COMMERCIAL TIES  
W/ISL. SINCE DOMESTIC MRKT TOO SMALL TO SUPPORT OWN FAST-  
GROWING INDUSTRY, TAIWAN DEPENDS ON EXPORTS. BUT KAZER  
SAYS WESTERN NATIONS BURDENED W/ECON PROBLEMS ARE COMING  
TO SEE ROC COMPETITION AS THREAT/HAVE PLACED GROWING  
NUMBER RESTRICTIONS ON TAIWAN IMPORTS. CITES FEARS OF  
TAIPEI OFFICIALS THAT FURTHER CURBS COULD DEAL BODY BLOW  
TO ROC ECON, WHICH CONTINUED GROWTH VITAL TO NATION.

15. KOREA

LAT'S JAMESON (SEOUL) TELLS (7/8) OF PROBLEMS FACED BY TOO  
UNCLASSIFIED

UNCLASSIFIED

PAGE 13 STATE 176926

MANY "KIMS" IN KOREA. BOTH CUSTOM/LAW PREVENT MARRIAGE  
BETWN THOSE W/Common MALE ANCESTOR, NO MATTER HOW REMOTE.  
ESTIMATES 6 OF 35 MILLION KOREANS TRACE ANCESTRY TO  
LEGENDARY KING KIM SU RO, HENCE HAVE COMMON MALE ANCESTOR.  
PROBLEM FURTHER COMPLICATED BY FACT THAT TO HONOR QUEEN,  
KING KIM HAD TWO SONS TAKE NAME OF WIFE. THIS MEANS  
ADDITIONAL 600,000 KOREANS NAMED HO SHARE MALE ANCESTOR  
WITH KIMS, THEREFORE CANNOT MARRY.

JAMESON NOTES RECENT MOVES AFOOT TO REFORM FAMILY SYSTEM,  
FOUNDATION OF KOREAN SOCIETY. BUT PROPOSAL SUBMITTED TO  
NATL ASSEMBLY TO LIMIT MARRIAGE BAN TO THOSE W/GREATER  
THAN COMMON REL OF 3.125 PCT NEVER GOT OFF GROUND--ALTHO  
SPECIAL ONE-TIME-ONLY LAW PASSED TO LEGITIMIZE MARRIAGES/  
CHILDREN OF THOSE WHO HAD IN PAST DEFIED BAN, PROVIDING  
LEGITIMIZATION DONE DURING '78/REL INVOLVED ONLY DISTANT.  
BUT JAMESON SAYS THOSE WHO SEEK CHANGE WISH ONLY TO REFORM  
"IRRATIONALITIES OF SYSTEM" RATHER THAN SYSTEM ITSELF.  
THEY SAY "HOME THE BASIC UNIT OF SOCIETY." CHRISTOPHER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLITICAL SITUATION, POLITICAL SUMMARIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE176926  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** STAFF:VDC  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780288-0258  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780763/aaaacayi.tel  
**Line Count:** 518  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** e741da75-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 10  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2017449  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** JULY 13 EA PRESS SUMMARY  
**TAGS:** SOPN, XC, US  
**To:** EA POSTS MOSCOW MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/e741da75-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014